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12 PACIFIC GAS AND ELECTRIC COMPANY

13 UNITED STATES BANKRUPTCY COURT  
14 NORTHERN DISTRICT OF CALIFORNIA  
15 SAN FRANCISCO DIVISION

16 In re

17 PACIFIC GAS AND ELECTRIC  
18 COMPANY, a California corporation,

19 Debtor.

20 Federal I.D. No. 94-0742640

Case No. 01-30923 DM

Chapter 11 Case

Date: November 8, 2002

Time: 1:30 p.m.

Place: 235 Pine Street, 22nd Floor  
San Francisco, California

21 DECLARATION OF JUDI MOSLEY IN SUPPORT OF  
22 THIRD MOTION FOR AUTHORITY TO INCUR  
23 MISCELLANEOUS IMPLEMENTATION EXPENSES

24 I, Judi Mosley, declare:

25 1. I have been employed by Pacific Gas and Electric Company ("PG&E")  
26 since 1987. Since 1998, I have held the position of Director of Interconnection Services and  
27 am responsible for managing PG&E's relationships with wholesale electric customers and  
28 generators that interconnect to the PG&E system. Currently, my responsibilities include  
managing the implementation of PG&E's proposed Plan of Reorganization (as amended  
from time to time, the "Plan") with respect to customer communications issues related to  
ETrans LLC, the entity that will continue the electric transmission line of business.

DECLARATION OF JUDI MOSLEY

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HOWARD  
RICE  
NEMEROVSKI  
CANADY  
FALK  
& RABKIN  
A Professional Corporation

2. This declaration is submitted in support of PG&E's Third Motion for Authority to Incur Miscellaneous Implementation Expenses (the "Motion"). Defined terms used herein shall have the meanings set forth in the Motion. I make this declaration based on personal knowledge, except where otherwise indicated, and if called as a witness, could and would testify competently to the matters set forth herein.

3. The separation of PG&E contemplated by the Plan creates special communications issues with respect to ETrans. Unlike the other lines of business within PG&E today, the electric transmission line of business is operated as part of PG&E's integrated transmission and distribution business operations without any independent communications-related materials or resources. Therefore, PG&E has identified the need to develop a communications plan to communicate with future ETrans customers (including municipal districts, generators and certain wireless and fiber optic carriers as well as PG&E) and government and regulatory agencies about ETrans, including the services it will offer, operational information and emergency procedures. The communications plan will help ensure a smooth operating transition in electric transmission service from PG&E to ETrans. The ETrans communications plan will include development of materials (such as informational packets), and meetings with customers and government and regulatory agencies. As described below, a majority of the costs for this project will not be incurred until after confirmation of the Plan.

4. Communications Consultant. PG&E seeks to hire John Ferrare as a communications consultant to provide design and technical writing services for all ETrans communications materials, to develop customer communications strategy and to manage the customer meetings that will be required. PG&E estimates that the total expenses for the communications consultant will be approximately \$130,000, with work to commence in November 2002 and to continue to the Plan Effective Date.

5. Communications Analysts. PG&E seeks to hire two communications analysts through CoreStaff Services, Inc., a temporary staffing agency, to provide administrative support for the ETrans communications plan, including editing and

1 proofreading, materials layout, and assistance with customer meetings. PG&E estimates that  
2 the total expenses for the communications analysts will be approximately \$62,000, with  
3 work to commence in December 2002 and to continue to the Plan Effective Date.

4 6. Customer Meetings. In connection with meetings to be organized with  
5 customers, PG&E estimates that it will incur total expenses of approximately \$70,000.  
6 These costs will not be incurred until after Plan confirmation. These costs would include  
7 such items as renting meeting or conference facilities, preparing presentations, including  
8 audiovisual costs, and other related costs associated with the customer meetings.

9 7. Communications Materials. In addition to the consultants' services  
10 described above, there will be material and printing costs of approximately \$18,000 in  
11 connection with preparing the ETrans communications materials. These costs will not be  
12 incurred until after Plan confirmation.

13 8. Although PG&E anticipates that no more than \$50,000 of the total  
14 \$280,000 in expenses described above will be incurred prior to confirmation of the Plan,  
15 PG&E believes that the project must begin promptly to allow for sufficient time to  
16 implement the ETrans communications plan in advance of the Plan Effective Date.


17 9. PG&E's standard contractual provisions in place (or to be included in any  
18 contracts to be executed) with the communications consultant and analysts described above  
19 do not guarantee future work or any minimum amount of revenue. PG&E also maintains the  
20 right to terminate the work at any time without cause, in which case PG&E is liable only for  
21 work performed to the date of termination plus costs reasonably incurred.

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1 incurred by the consultant in terminating any work in progress.

2 10. The cost estimates set forth herein are based on PG&E's initial scoping of  
3 the project requirements and negotiations with the consultants who have been selected to  
4 perform the services:

5 I declare under penalty of perjury of the laws of the United States that the  
6 foregoing is true and correct, and that this declaration was executed at San Francisco,  
7 California on October 18, 2002.

8   
9 JUDI MOSLEY

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